Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 PARIS 02149 01 OF 02 211941Z
ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-09 ISO-00 CAB-05 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-02 FAA-00
PM-04 H-02 L-03 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 OMB-01 TRSE-00 /104 W
----------211947Z 000894 /44
R 211949Z JAN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9027
INFO AMEMBASSY LONDON
AMEMBASSY TOKYO
AMEMBASSY MEXICO CITY
AEUFHBS/FAA BRUSSELS
AMCONSUL BORDEAUX

UNCLAS SECTION 01 OF 02 PARIS 02149

E.O. 11652 N/A
TAGS: EAIR, FR, UK, US
SUBJECT: CIVAIR: CONCORDE

1. LOOKING BACK ON THE RESULTS OF CONCORDE'S FIRST YEAR OF COMMERCIAL OPERATIONS, GILBERT PEROL, DIRECTOR GENERAL OF AIR FRANCE, TOLD THE PRESS IN PARIS ON JANUARY 19 THAT NEW YORK WAS STILL THE KEY TO SUCCESS OF AIR FRANCE'S CONCORDE NETWORK. HE EXPRESSED CONFIDENCE THAT THE NEW YORK PORT AUTHORITY'S DECISION NEXT MONTH WOULD BE FAVORABLE TO CONCORDE, FOR, HE SAID, HE "COULD NOT IMAGINE" HOW THE DECISION COULD BE OTHERWISE. ASKED BY A REPORTED IF HE THOUGHT THE RECENT ABOU DAOUD AFFAIR MIGHT INFLUENCE THE PORT AUTHORITY'S DECISION, PEROL SAID HE EXPECTED THE PORT AUTHORITY TO BE MOVED BY TECHNICAL CONSIDERATIONS ALONE. MOREOVER, HE IS REPORTED TO HAVE ADDED, REJECTION OF CONCORDE BY NEW YORK BECAUSE OF ABOU DAOUD AFFAIR WOULD UNJUSTLY PENALIZE BRITISH AIRWAYS.
UNCLASSIFIED

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PAGE 02 PARIS 02149 01 OF 02 211941Z

2. IF THE PORT AUTHORITY DECISION NEXT MONTH WAS FAVORABLE, PEROL SAID THAT AIR FRANCE WOULD IMMEDIATELY SCHEDULE PROVING FLIGHTS TO NEW YORK AND WOULD COMMENCE COMMERCIAL SERVICE IN APRIL WITH ONE DAILY FLIGHT, INCREASING TO TWO FLIGHTS A DAY BY THE END OF THE YEAR. SINCE SERVICE TO NEW YORK

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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WOULD SIPHON OFF SOME OF THE PASSENGERS NOW TRAVELING ON CONCORDE'S WASHINGTON ROUTE, AIR FRANCE WAS STUDYING THE POSSIBILITY OF EXTENDING THE WASHINGTON ROUTE TO MEXICO CITY. BRANIFF WAS ALSO EXPLORING THE POSSIBILITY OF OPERATING CONCORDE BETWEEN WASHINGTON AND DALLAS-FORTH WORTH. THE TOKYO ROUTE WAS ALSO IMPORTANT TO CONCORDE'S SUCCESS, AND PEROL THOUGHT THAT TOKYO'S DECISION WOULD HINGE ON THAT OF NEW YORK.

3. PEROL SAID THAT THE AVERAGE LOAD FACTOR FOR CONCORDE ON THE WASHINGTON ROUTE HAD BEEN 70.5 PERCENT, ON THE RIO ROUTE 62.4 PERCENT, AND ON THE CARACAS ROUTE 36.2 PERCENT. TWO-THIRDS OF THE PASSENGERS USING CONCORDE WERE BUSINESS TRAVELERS, AND 80 PERCENT OF THE PASSENGERS WERE MEN. FORTY-THREE POINT FIVE PERCENT OF PASSENGERS HAD BEEN NON-EUROPEANS, WITH AMERICANS ACCOUNTING FOR 24 PERCENT AND BRAZILIANS 16 PERCENT. ESPECIALLY DISAPPOINTING, HOWEVER, WAS THE FACT THAT TRAVEL ON CONCORDE BY THE FRENCH WAS 30 PERCENT BELOW WHAT AIR FRANCE HAD PROJECTED. THE REASON, SAID PEROL, WAS THAT MANY FRENCH FIRMS SEEMED TO BE SHUNNING CONCORDE ON THE GROUNDS THAT THE SAVING THUS REALIZED ON THE FARE WAS "GOOD MANAGEMENT" ON THEIR PART.

4. FINANCIAL SUCCESS FOR CONCORDE IS STILL A LONG WAY OFF, HOWEVER. PEROL CONFIRMED THAT AIR FRANCE
UNCLASSIFIED

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PAGE 03 PARIS 02149 01 OF 02 211941Z

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PAGE 01 PARIS 02149 02 OF 02 241130Z
ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-09 ISO-00 CAB-05 CIAE-00
COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-02 FAA-00
PM-04 H-02 L-03 NSC-05 PA-02 PRS-01 SP-02 SS-15

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

USIA-15 OMB-01 TRSE-00 /104 W
----------241134Z 020854 /20/44
R 211949Z JAN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9028
INFO AMEMBASSY LONDON
AMEMBASSY TOKYO
AMEMBASSY MEXICO CITY
FAA BRUSSELS
AMCONSUL BORDEAUX

UNCLAS SECTION 02 OF 02 PARIS 02149

CORRECTED COPY THIS SECTION ONLY 4TH LINE FROM RUSH OMITTED

LOST 220 MILLION FRANCS (AFTER AMORTIZATION) ON ITS CONCORDE OPERATIONS IN 1976. (LE MONDE REPORTS THAT THE GOF HAS AGREED TO COVER MOST OF THE LOSS FOR AIR FRANCE.) UNDER-UTILIZATION OF CONCORDE EQUIPMENT BECAUSE OF THE PRESENT VERY LIMITED ROUTE NETWORK ILLUSTRATED HOW IMPORTANT IT WAS TO SECURE AUTHORIZATION FOR CONCORDE SERVICE TO NEW YORK AND TOKYO. LE MONDE QUOTES AN AIR FRANCE OFFICIAL AS SAYING THE COMPANY COULD EXPECT TO BREAK EVEN ON ITS CONCORDE OPERATIONS "AROUND 1980 IF WE SUCCEED IN GETTING PERMISSION TO SERVE TOKYO IN 1978." IF SO, THEN DESPITE ALL THE IMPORTANCE AIR FRANCE AND GOF ATTACH TO GAINING ACCESS TO
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NEW YORK FOR CONCORDE, NOT EVEN THE NEW YORK ROUTE WILL SUFFICE TO PUT AIR FRANCE'S CONCORDE OPERATIONS INTO THE BLACK. AIR FRANCE'S DILEMMA IS SUMMED UP BY LE MONDE AT THE END OF ITS ARTICLE COMMENTING ON PEROL'S REMARKS AND ENTITLED "THE PRICE OF PRESTIGE": "AIR FRANCE WOULD NOT HAVE BOUGHT FOUR CONCORDES IF IT HAD NOT BEEN ORDERED TO DO SO BY THE STATE. TODAY AIR FRANCE IS TRYING TO 'LIMIT THE DAMAGE.' THE QUESTION IS WHETHER IN THE LONG RUN A FINE ADVENTURE WILL TURN OUT TO BE FINE BUSINESS."
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Expiration:
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SAS ID: 3535420
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: CONCORDE
TAGS: EAIR, FR, UK, US, (PEROL, GILBERT)
To: STATE
Type: TE
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